

# **TOWN OF DAVIE TOWN COUNCIL AGENDA REPORT**

**TO:** Mayor and Councilmembers

**FROM/PHONE:** Will Allen, Redevelopment Administrator/ (945) 797-2093

**PREPARED BY:** Will Allen

**SUBJECT:** Resolution

**AFFECTED DISTRICT:** District 1, Townwide

**TITLE OF AGENDA ITEM:** A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA RATIFYING THE RESOLUTION OF THE DAVIE COMMUNITY REDEVELOPMENT AGENCY, AUTHORIZING PAYMENTS FROM THE COMMUNITY REDEVELOPMENT AGENCY AS A LOCAL MATCH FOR THE FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM AS AN ECONOMIC INCENTIVE TO THE ANDRX CORPORATION

**REPORT IN BRIEF:** The Town and the CRA have been approached by the Andrx Corporation concerning an upcoming corporate decision slated to be made at a June 4, 2004 meeting of the Board of Directors of Andrx to determine whether to expand its plant at the Davie location or be relocated out of state. The Town and CRA, of course, are very supportive of keeping this company which has made a major investment in Davie and which employs over 600 workers at Davie facilities and over 1000 in the area. Due to the need to be addressed by the Andrx Board of Directors on June 4 and because this was only submitted very recently it is requested that the Town Council review this matter in a expedited fashion at the May 19, 2004 Town Council meeting.

Meetings and conversations have been held with the Broward Alliance, Broward County, the Town of Davie and the CRA to discuss what actions can be taken to assist in the decision to stay and expand in Davie. The new CEO and professional staff of Andrx are supporting a case to remain in Davie. The Town Council is being requested to ratify three of the four resolutions adopted by the CRA at their May 12, 2004 meeting. These actions are important to show support for keeping this facility at this location and encouraging its growth.

The Town of Davie has already adopted Resolution R-2004-84 on April 21, 2004 supporting the expansion of the pharmaceutical manufacturing plant and approving the future application for the QTI program. A copy of that resolution is attached. The CRA's Resolution R-2004-1 adopted on May 12, 2004 similarly supports the proposed expansion and the application for the QTI Tax Refund Program.

Additionally, actions of the CRA requested by Andrx to assist in making the decision to remain at this location were considered and adopted unanimously at the May 12 meeting. The resolutions adopted by the CRA and for which ratifications are requested

by the CRA include agreeing that the CRA will provide the local share of the Qualified Target Industry Tax Refund Program funding, and creating and then providing an additional incentive based on creating jobs at the Davie location. The application for the Florida QTI Program has been submitted to Enterprise Florida, Inc. through the Broward Alliance. A copy of the analysis of the impacts of the proposed expansion prepared by Broward Alliance is included in the backup information along with a copy of the QTI application. It should be noted that other states/communities offer larger incentives but Davie has an advantage of the existing facility.

The proposal is to add 175 employees who manufacture pharmaceuticals. The average wage per job is \$40,000 per year which is greater than 115% of the average wage in Broward County. The average wage is \$33,595 and 115% of that amount is \$38,364. It should be noted that the proposed expansion of the manufacturing facilities will take place within the existing footprint of the building. The corporate office facilities have already been relocated to Plantation.

The QTI Program is an incentive which permits a refund of property tax based on the number of jobs created. The amount of the incentive is \$3,000 per job which is paid out in a period of four years after the jobs are created. In this case the amount of the rebate totals \$525,000 which is \$3,000 times 175 jobs. The State of Florida provides funding for 80% of this tax rebate with the remaining 20% being the local share. In this case, the CRA will be responsible for the entire local share totaling \$105,000. This amount is payable over a six year period as the jobs are phased in over three years. CRA Resolution R-2004-2 authorizes the expenditure of up to \$105,000 as the local match. It should be noted that Broward County has notified us that they will not participate in this program as the subject property is located within the boundary of a CRA. Broward County Ordinance No. 1999-17 concerns economic incentives which improve real and personal property values and which create new jobs. There are several types of incentives listed including the QTI program and a separate jobs creation incentive. Such incentives require a certain return on their investment. Since this site is located within the Davie CRA, the additional ad valorem taxes will be received for the next 23 years by the Davie CRA. Enterprise Florida, Inc. is aware that the local match is proposed to be paid by the CRA and there is no problem with this approach.

Andrx was also seeking to benefit from the job creation incentive program available from Broward County. This program provides an additional \$2,000 per job for each job created. As stated earlier, Broward County is not participating as the Andrx site is located within the CRA. Normally one-half of the incentive would be paid by Broward County and the other half paid by the municipality in which the company is creating the jobs. The CRA approved a program modeled after the Broward County program by means of Resolution R-2004-3 which utilizes the criteria used by Broward County. Ratification of this resolution is also requested as such an incentive program is a common economic development tool and would have been available to Andrx except for the nonparticipation of Broward County. Other municipalities commonly provide for such incentives. Such an incentive program is consistent with the objectives and goals of the redevelopment plan for the Davie CRA and within the statutory authority in Chapter 163, Florida Statutes.

CRA Resolution R-2004-4 authorizes a cash incentive to Andrx for creating 175 new jobs. The amount of \$350,000 would be paid over a six year period beginning in 2006. The funds are paid after the jobs are created. An agreement will need to be reached between the CRA and Andrx specifying the terms and conditions of the award of the incentive. There was not sufficient time to prepare this agreement but it will provide details such as a means to verify the number of jobs created and the average wage of these jobs. This will be done after the decision is made by Andrx to expand at the Davie location.

The opportunity to not only keep Andrx at the Davie location but to add 175 jobs over three years and to add \$38.5 million in renovations to the site is an economic winner for the Town of Davie and the CRA as well as being consistent with objectives of the CRA. The proposed expansion will add employment opportunities and increase the value of real property. Objective B-3 of the CRA redevelopment plan is to strive to increase the overall level of economic activity within the community redevelopment area. Policies are elaborated to increase employment opportunities and for the CRA to initiate programs and projects which focus on business development and act as catalysts to leverage additional investment by private enterprise. The total investment requested from the CRA is \$455,000 for both programs and is payable over an extended period of six years. The tax increment taxes received from Andrx exceeds the total requested each and every year presently. The amount of real estate tax is shown in the QTI application indicates the amount is expected to grow to \$680,000 per year by 2007.

It is recommended that the Town Council adopt the three resolutions which support the expansion of the Andrx facility at 4955 Orange Drive. Keeping and expanding this facility and the accompanying jobs is an asset to the entire region. The actions provide increased employment opportunities not to mention keeping the existing jobs, and provide increased income to the CRA and eventually to the Town in an amount much greater than the total of the incentives.

**PREVIOUS ACTIONS:** Resolution R-2004-84 adopted April 21, 2004 by Town Council in general support of the expansion and future QTI application.

**CONCURRENCES:** CRA Resolutions R-2004-1, R-2004-2, R-2004-3, and R-2004-4 adopted May 12, 2004.

**FISCAL IMPACT:** Has request been budgeted?

The incentives are paid in future years beginning in FY 2006.

If yes, expected cost: \$455,000 over six years to be paid by Davie CRA.  
\$105,000 for QTI Program and \$350,000 for job incentives.

**RECOMMENDATION(S):** The recommendation is to approve the resolution.

**Attachment(s):** Resolution  
Resolution R-2004-84  
CRA Resolutions R-2004-1, R-2004-2, R-2004-3, and R-2004-4  
QTI Analysis & Application  
The above documents are also the backup for the other two  
proposed resolutions.

RESOLUTION \_\_\_\_\_

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA RATIFYING THE RESOLUTION OF THE DAVIE COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING PAYMENTS FROM THE COMMUNITY REDEVELOPMENT AGENCY AS A LOCAL MATCH FOR THE FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM AS AN ECONOMIC INCENTIVE TO THE ANDRX CORPORATION

WHEREAS, the Town of Davie encourages businesses that act as employment draws; and

WHEREAS, the Town of Davie has created a Community Redevelopment Agency (CRA) to assist and encourage development in the redevelopment area; and

WHEREAS, tax increments from the redevelopment area are used to pay for projects which assist and encourage development and redevelopment of the area; and

WHEREAS, the Town of Davie desires to assist Andrx Corporation in its desire to stay located within the Town of Davie as stated by Resolution R-2004-84 adopted April 21, 2004; and

WHEREAS, the CRA, at its May 12, 2004 meeting adopted CRA Resolution R-2004-2 approving expenditures up to \$105,000 to provide the local match for the Qualified Target Industry Tax Refund Program application made by Andrx Corporation to Enterprise Florida, Inc.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council hereby ratifies Resolution R-2004-2 of the Davie Community Redevelopment Agency authorizing payments from the CRA as a local match for the Florida Qualified Target Industry Tax Refund Program as an economic incentive to the Andrx Corporation and authorizes the expenditure of up to \$105,000 of CRA tax increment funds as a local match for the Andrx Corporation's Qualified Target Industry Tax Refund program application made to Enterprise Florida, Inc.

SECTION 2. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2004

\_\_\_\_\_  
MAYOR/COUNCILMEMBER

Attest:



\_\_\_\_\_  
Town Clerk

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2004

RESOLUTION R-2004-84

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, SUPPORTING ANDRX CORPORATION'S EXPANSION OF ITS PHARMACEUTICAL MANUFACTURING PLANT IN THE TOWN OF DAVIE AND SUPPORTING ITS FUTURE APPLICATION FOR THE FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM.

WHEREAS, Andrx Corporation has been operating its pharmaceutical manufacturing plant in the Town of Davie since 2001; and

WHEREAS, during its tenure in the Town, Andrx Corporation has been a good corporate citizen and an economic stimulus for the Town; and

WHEREAS, Andrx Corporation's provides employment for approximately 600 workers at its Davie location and over 1,000 workers state-wide; and

WHEREAS, the Town of Davie supports Andrx Corporation's expansion and will support its future application for the Florida Qualified Target Industry Tax Refund; and

WHEREAS, on June 4, 2004, Andrx Corporation's Board of Director's will determine whether to expand the plant at the Davie location or move its plant to North Carolina; and

WHEREAS, the Town of Davie requests that Andrx Corporation's Board of Director's look favorably upon expanding the Davie plant and continue the mutually beneficial relationship.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town of Davie does hereby support Andrx Corporation's expansion of its pharmaceutical manufacturing plant at the Davie location.


SECTION 2. The Town of Davie will support Andrx Corporation's future application for the Florida Qualified Target Industry Tax Refund Program.

SECTION 3. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS 21st DAY OF April, 2004.

  
\_\_\_\_\_  
MAYOR/COUNCILMEMBER

ATTEST:

  
\_\_\_\_\_  
TOWN CLERK

APPROVED THIS 21st DAY OF April, 2004

A RESOLUTION OF THE DAVIE COMMUNITY REDEVELOPMENT AGENCY SUPPORTING ANDRX CORPORATION'S EXPANSION OF ITS PHARMACEUTICAL MANUFACTURING PLANT IN THE TOWN OF DAVIE AND SUPPORTING ITS APPLICATION FOR THE FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM.

WHEREAS, Andrx Corporation has been operating its pharmaceutical manufacturing plant in the Town of Davie since 2001; and

WHEREAS, during its tenure in the Town, Andrx Corporation has been a good corporate citizen and an economic stimulus for the Town; and

WHEREAS, Andrx Corporation provides employment for approximately 600 workers at its Davie location and over 1,000 workers state-wide; and

WHEREAS, the Andrx Corporation's pharmaceutical manufacturing facility is located at 4955 Orange Drive within the Town of Davie and this site is located within the redevelopment area of the Davie Community Redevelopment Agency; and

WHEREAS, the Davie CRA receives ad valorem tax funds from the existing pharmaceutical facility in the form of tax increment revenues from other public bodies; and

WHEREAS, the Andrx Corporation's Board of Director's will meet on June 4, 2004 to determine whether to expand the plant at the Davie location or move its plant to North Carolina or other potential locations; and

WHEREAS, the proposed expansion at the Davie location would result in the addition of approximately 175 new jobs and an additional investment of over \$38 million in capital investment at the Davie location; and

WHEREAS, the Town Council of the Town of Davie adopted Resolution R-2004-84 on April 21, 2004 supporting the expansion of the manufacturing plant and the application for the Florida Qualified Target Industry Tax Refund Program; and

WHEREAS, the Davie Community Redevelopment Agency requests that Andrx Corporation's Board of Directors look favorably upon expanding the Davie plant and continue the mutually beneficial relationship.

NOW THEREFORE, BE IT RESOLVED BY THE DAVIE COMMUNITY REDEVELOPMENT AGENCY, DAVIE, FLORIDA:

SECTION 1. The Davie Community Redevelopment Agency does hereby support Andrx Corporation's expansion of its pharmaceutical manufacturing plant at the Davie location.

SECTION 2. The Davie Community Redevelopment Agency supports Andrx Corporation's application for the Florida Qualified Target Industry Tax Refund Program.

SECTION 3. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS 12<sup>TH</sup> DAY OF MAY, 2004.

Community Redevelopment Agency of the  
Town of Davie, Florida

By: Joan Kovac  
Joan Kovac, Chair

A RESOLUTION OF THE DAVIE COMMUNITY REDEVELOPMENT AGENCY,  
AUTHORIZING PAYMENTS FROM THE COMMUNITY REDEVELOPMENT AGENCY  
AS A LOCAL MATCH FOR THE FLORIDA QUALIFIED TARGET INDUSTRY TAX  
REFUND PROGRAM AS AN ECONOMIC INCENTIVE TO THE ANDRX  
CORPORATION

WHEREAS, the Town of Davie encourages businesses that act as employment draws;  
and

WHEREAS, the Town of Davie has created a Community Redevelopment Agency (CRA)  
to assist and encourage development in the redevelopment area; and

WHEREAS, the Andrx Corporation is located within the redevelopment area of the Davie  
Community Redevelopment Agency and provides employment for approximately 600 workers  
at its Davie location and over 1,000 workers state-wide; and

WHEREAS, the Andrx Corporation is proposing to expand its facilities at the Davie  
location and has submitted an application for the Florida Qualified Target Industry Tax Refund  
Program to Enterprise Florida, Inc. as an incentive in the decision to expand the facilities; and

WHEREAS, eligibility for the Qualified Target Industry Tax Refund is based on creating  
a minimum of 100 new jobs with a wage requirement of 115% of the county's average wage and  
the amount of incentive for each job is \$3000 paid over a period of four years after the jobs are  
created and the incentive requires funding from local sources equal to 20% of the total tax  
refund; and

WHEREAS, the proposed expansion at the Davie location would result in the addition of  
approximately 175 new jobs and an additional investment of over \$38 million in capital  
investment at the Davie location; and

WHEREAS, the local share of the tax refund will be approximately a total of \$105,000  
paid in a four year period after the jobs are created; and

WHEREAS, the Davie CRA will receive additional revenue or an increment based on the  
additional investment and resulting increase in ad valorem property tax based on the  
investment by the Andrx Corporation; and

WHEREAS, having the CRA participate financially as an incentive to enhance the tax  
base of the CRA and the Town of Davie is consistent with Chapter 163 of Florida Statutes and  
with the objective stated within the CRA's community redevelopment plan to increase the  
overall level of economic activity within the community redevelopment area and policies to  
increase employment activities and initiate programs which act as catalysts to leverage  
additional investment by private enterprise.

NOW, THEREFORE, BE IT RESOLVED BY THE DAVIE COMMUNITY REDEVELOPMENT  
AGENCY, DAVIE, FLORIDA:

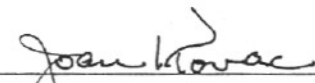
SECTION 1. The Davie Community Redevelopment Agency hereby authorizes the expenditure of up to \$105,000 of CRA tax increment funds as a local match for the Andrx Corporation's Qualified Target Industry Tax Refund program application made to Enterprise Florida, Inc.

SECTION 2. This resolution shall take effect upon its passage and adoption.

PASSED AND ADOPTED THIS 12<sup>TH</sup> DAY OF MAY, 2004.

Community Redevelopment Agency of the  
Town of Davie, Florida

By: \_\_\_\_\_

  
Joan Kovac, Chair

A RESOLUTION OF THE DAVIE COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE CREATION OF A DIRECT CASH JOB CREATION INCENTIVE PROGRAM FOR THE PURPOSE OF PROVIDING ECONOMIC DEVELOPMENT INCENTIVES FOR COMPANIES RELOCATING OR EXPANDING THEIR FACILITIES WITHIN THE BOUNDARIES OF THE DAVIE COMMUNITY REDEVELOPMENT AGENCY.

WHEREAS, the Davie Community Redevelopment Agency has adopted a Redevelopment Plan which includes a statement of an objective to increase the overall economic activity within the community redevelopment area with a policy of helping achieve that objective to increase employment activities and initiation of programs to act as catalysts to leverage additional investment by private enterprise; and

WHEREAS, it is the intent of the Davie Community Redevelopment Agency to provide incentives to new and expanded businesses of diverse industries which create new jobs and improvements to real and personal property within the Davie community redevelopment area; and

WHEREAS, Broward County has adopted an incentive program for encouraging job growth and economic development which includes cash incentives to expanding or relocating companies which create a minimum of one hundred (100) jobs and such jobs pay at least one hundred fifteen (115) percent of the average annual wage; and

WHEREAS, Broward County does not make this incentive program available within the boundaries of a CRA; and

WHEREAS, such incentive programs result in encouraging additional employment activities within the CRA and assist businesses in a making a decision to locate within the boundaries of the CRA.

NOW, THEREFORE, BE IT RESOLVED BY THE DAVIE COMMUNITY REDEVELOPMENT AGENCY, DAVIE, FLORIDA.

SECTION 1. The Davie Community Redevelopment Agency hereby authorizes the creation of a direct cash job creation incentive program for the purpose of providing economic development incentives for companies relocating or expanding their facilities within the boundaries of the Davie Community Redevelopment Agency.

SECTION 2. The Davie CRA may award a cash incentive to relocating or expanding companies locating within the Davie CRA redevelopment area based on the number of jobs created which pay one hundred fifteen (115) percent or more of the average annual wage within Broward County. The amount of cash incentive shall not exceed two thousand dollars (\$2,000) for each full-time, permanent job created. An analysis must be made as to whether the tax revenue generated to the Davie CRA from the new or expanded business will cover the amount of the actual incentive award within a period not to exceed six (6) years from the date of such award and the CRA will receive a net positive return of at least fifty (50) percent of the total



incentive award. A payout schedule for the incentive shall be approved by a resolution adopted by the CRA.

SECTION 3. The award of the cash incentives provided in Section 1 shall be subject to the execution of an agreement between the CRA and the owner(s) of the business or company seeking the incentive which establishes the terms and conditions of the award.

SECTION 4. This resolution shall take effect immediately upon its passage and adoption.

ADOPTED THIS 12<sup>TH</sup> DAY OF MAY, 2004.

Community Redevelopment Agency of the  
Town of Davie, Florida

By:

  
Joan Kovac, Chair

CRA RESOLUTION R-2004-4

A RESOLUTION OF THE DAVIE COMMUNITY REDEVELOPMENT AGENCY PROVIDING FOR DIRECT CASH JOB CREATION INCENTIVE AS AN ECONOMIC DEVELOPMENT INCENTIVE FOR THE EXPANSION OF THE ANDRX CORPORATION'S PHARMECEUTICAL MANUFACTURING FACILITY AT 4955 ORANGE DRIVE, DAVIE, FLORIDA.

WHEREAS, the Davie Community Redevelopment Agency has adopted a Redevelopment Plan which includes an objective to increase the overall economic activity within the community redevelopment area with a policy of helping achieve that objective to increase employment activities and initiation of programs to act as catalysts to leverage additional investment by private enterprise; and

WHEREAS, a direct cash job creation incentive program has been created for the purpose of providing economic incentives for companies to expand their facilities within the community redevelopment area of Davie; and

WHEREAS, Andrx Corporation has applied to Enterprise Florida, Inc. for a Qualified Target Industry Tax Refund for the purpose of expanding their manufacturing facility at 4955 Orange Drive in Davie; and

WHEREAS, the application for the QTI indicates that the proposed expansion results in a capital investment of \$38,500,000 and will create 175 jobs within a three year period; and

WHEREAS, Andrx Corporation is eligible for a cash incentive of \$2,000 per job from the Davie Community Redevelopment Agency as the proposed expansion is consistent with the incentive program for job creation as approved by the Davie CRA including meeting criteria for the number of jobs being created and because the proposed jobs exceed one hundred fifteen (115) percent of the average annual wage within Broward County; and

WHEREAS, the estimated ad valorem property tax payments due to the proposed expansion will provide a net positive return of at least fifty (50) percent within six years to the Davie CRA as well as additional benefits both direct and indirect such as increased employment opportunities.

NOW, THEREFORE, BE IT RESOLVED BY THE DAVIE COMMUNITY REDEVELOPMENT AGENCY, DAVIE, FLORIDA.

SECTION 1. The Davie Community Redevelopment Agency hereby authorizes a direct cash incentive to be paid to Andrx Corporation in the total amount of \$350,000 to be paid over a six year period beginning in 2006. This amount shall be paid based on 50 new jobs being created by December of 2005, 50 additional jobs created by December of 2006, and 75 additional jobs created by December of 2007. The payouts required would begin after the jobs have been created and verified by the CRA as additional employees at an average salary of not less than \$40,000. The payouts are as follow for the six years based on the job creation schedule as described above: Year 1- \$25,000; Year 2-\$50,000; Year 3-\$87,500; Year 4-\$87,500; Year 5-\$62,500; and Year 6-\$37,500.

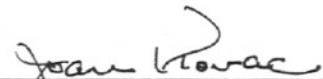
SECTION 2. The award of the cash incentives described in Section 1 shall be subject to the execution by the CRA and Andrx Corporation of an agreement establishing the terms and conditions of the award.

SECTION 3. This resolution shall take effect immediately upon its passage and adoption.

ADOPTED THIS 12<sup>TH</sup> DAY OF MAY, 2004.

Community Redevelopment Agency of the  
Town of Davie, Florida

By:

  
\_\_\_\_\_  
Joan Kovac, Chair



April 19, 2004

Gloria Kramer  
Director, Business Development  
The Broward Alliance  
300 SE 2<sup>nd</sup> Street, Suite 780  
Fort Lauderdale, FL 33301

Dear Gloria:

Enclosed is Andrx's application for the Florida Qualified Target Industry Tax Refund Program.

This application is for the contemplated expansion of our pharmaceutical manufacturing plant located on Orange Drive in the town of Davie. As discussed in our meeting last week, Andrx needs to increase its manufacturing capacity as soon as possible. This contemplated renovation, phase A, should double the manufacturing capacity within the existing footprint of the plant. During phase A, we anticipate hiring approximately 175 workers over the next three years. If we pursue a phase B, we may hire an additional 225 to 300 workers.

As we mentioned in our meeting, we are also considering other methods to increase our manufacturing capacity. These options include, acceleration of our North Carolina plant, contract/outsource manufacturing or the purchase of an operational plant. However, it is our desire to work with the State, County and City, to expand our capacity here in Davie, FL.

Today we met with representatives from the town of Davie to discuss our possible expansion. We will be submitting permit applications to determine if our planned timeline for the expansion is attainable.

The company intends to make a decision on the location of the expanded manufacturing capacity at its Board of Directors meeting on June 4, 2004.

Thank you for your assistance in this matter. Please do not hesitate to contact me at 954-382-7770 or Jim Grady at 954-382-7603.

Sincerely,

A handwritten signature, likely of the sender, is located at the bottom right of the page, below the word "Sincerely,".

# GENERAL PROJECT OVERVIEW

\_\_\_\_\_  
Andrx Pharmaceuticals, Inc.

Name of Business

\_\_\_\_\_  
Manufacturing Facility Expansion/Addition

Project Title (1-5 word description)

FOR EFI USE ONLY	
_____ Date Received	_____ Date Completed
_____ Project Number	

It is suggested that you contact Enterprise Florida at the below address to discuss your project and application before submitting a formal proposal

The completed and signed application must be filed with:

Enterprise  
FLORIDA, Inc.

The Atrium Building, Suite 201 • 325 John Knox Road

Tallahassee, Florida 32303

850/488-6300 • Fax: 850/922-9595

<http://www.eflorida.com/>



5. Full project description: Andrx performs R&D, manufactures, and markets and distributes oral pharmaceutical drugs. In order to meet the demand for new-patented pharmaceuticals, Andrx needs to expand its manufacturing capacity. This will involve an expansion/addition to its Davie manufacturing facility and the hiring of new employees to manufacture pharmaceuticals. These new jobs would include positions for press operators, supervisors, support and other line requirements, clerical and miscellaneous positions.
6. Check the appropriate box and complete the line item:  
☒ Project's current location address, if applicable: 4955 Orange Drive, Fort Lauderdale, Florida 33314  
☐ Project's proposed location address, if different from above: \_\_\_\_\_
7. a) Located on Brownfield Site or in a Brownfield Area? \_\_\_\_\_ YES X NO  
(Please attach a copy of the official document that designated this area a brownfield area.)  
b) Will project be locating or expanding in an Enterprise Zone?  
\_\_\_\_\_ YES X NO Which Zone: \_\_\_\_\_  
c) Will project be locating in a designated rural area?  
\_\_\_\_\_ YES X NO Which designated rural area: \_\_\_\_\_
8. County in which project is/will be located: Broward
9. Indicate the portion of the project (if any) that will be performing headquarters functions 0 % and check the box that best defines your project. Answer a) AND b):  
a) ☒ Multistate business enterprise      b) ☐ Regional headquarters office  
☐ Multinational business enterprise      ☐ National headquarters office  
☐ International headquarters office
10. Unless this is solely a designated headquarters project, please estimate percentage of gross receipts or final sales resulting from project that will be made outside of Florida: 95 %
11. Indicate the portion of the project (if any) that will be performing non-headquarters functions. Enter the industry description and code of each industry included in this project:
- | Business unit Activities |              | 5-6 digit NAICS Code | 4 digit SIC Code |
|--------------------------|--------------|----------------------|------------------|
| <u>Manufacturing</u>     | <u>100</u> % | <u>32541</u>         | <u>2834</u>      |
| _____                    | _____ %      | _____                | _____            |
| _____                    | _____ %      | _____                | _____            |
12. List the 5-6 digit NAICS and 4 digit SIC code(s), estimated employment, and the *annualized* average wage (not including benefits) for activities included in the project:
- |                             |                            |                                 |
|-----------------------------|----------------------------|---------------------------------|
| NAICS/SIC <u>32541/2834</u> | Est. Employment <u>175</u> | Annualized Wage <u>\$40,000</u> |
| NAICS/SIC _____             | Est. Employment _____      | Annualized Wage \$ _____        |
| NAICS/SIC _____             | Est. Employment _____      | Annualized Wage \$ _____        |

13. a) Anticipated annualized average wage (not including benefits) of the new to Florida jobs created by the project at the business unit: \$40,000  
(Cash performance bonuses and other cash payments to the employees, such as overtime, should be included. The anticipated wage reported here is only an estimate of the average wage to be paid. The wage indicated in response to an incentive attachment, if applicable, will be used in the certification, agreement, and claim evaluation process.)
- b) Annualized average value of benefits associated with each new job created by the project at the business unit: \$12,000
14. a) Describe the capital investment in real and personal property (examples: construction of new facility; remodeling of facility; upgrading, replacing or buying new equipment. Do not include the value of land purchased for construction of a new building): Expansion of manufacturing facility by retrofitting current administration office into manufacturing space, adding manufacturing tools and equipment as and furniture and fixtures.
- b) List the anticipated amount (within three (3) years) and type (purchase of machinery/equipment, construction of buildings, etc.) of major capital investment to be made by the applicant in connection with this Florida project:
- |           |                      |                          |
|-----------|----------------------|--------------------------|
| Amount \$ | <u>31,300,000</u>    | Construction/Renovations |
| Amount \$ | <u>7,200,000</u>     | Manufacturing Equipment  |
| Amount \$ | <u></u>              | Other Equipment          |
| Total     | <u>\$ 38,500,000</u> |                          |
- c) Estimated square feet of new or newly expanded facility: 40,000
15. Anticipated date of beginning of construction for this project: June 2004
16. Anticipated date project will be in operation: November 2004

## Project Impact Information

17. What role will the incentive (or incentives) play in the decision of the applicant to locate or expand in this state? (If there are other states/communities competing for this project, please list which states/communities and what incentives are being offered by these states/communities.)

Andrx performs R&D, manufactures and distributes oral pharmaceutical drugs. In its generic program, Andrx primarily develops bio-equivalent versions of controlled-release branded products as well as difficult-to-replicate specialty, niche or immediate release brand name pharmaceuticals. In its brand program, Andrx applies its oral controlled-release technologies and formulation skills to develop improved versions of existing brand pharmaceuticals, which will be marketed as new brand pharmaceuticals. Andrx has approximately 30 plus pharmaceuticals in the approval process. In order to position itself to accommodate production for these new-patented drugs and to develop new pharmaceuticals, Andrx must increase its manufacturing capacity. Andrx is traded on the NASDAQ under the symbol ADRX.

During 2002, Andrx purchased a manufacturing facility in Morrisville, North Carolina from an affiliate of the Bristol-Myers Squibb Company. However, Andrx may not be able to bring the manufacturing plant on-line within the desired timeframe. Based on projected sales, Andrx has determined that it needs to increase its product-manufacturing capacity immediately. Andrx



could take extraordinary measures to accelerate the timeline for the North Carolina facility; however, this may be too costly for Andrx.

In order to accommodate its capacity needs, Andrx is considering three options. The first option is to renovate the Davie facility, including the addition of 40,000 square feet of cGMP manufacturing space. This addition and renovation will almost double the manufacturing capacity of the facility. The second option is to purchase an existing manufacturing facility. Andrx is currently evaluating potential locations. Facilities in New Jersey and Puerto Rico have already been identified as facilities that would meet Andrx's manufacturing needs. The third option is to utilize contract manufacturers. Andrx is currently utilizing Mova Pharmaceuticals, Inc, a Puerto Rican contract manufacturer, for its version of Metformin IR. However, due to the confidential nature of its formulations, Andrx prefers to manufacture its own products.

If Andrx chooses the first option, the conversion would involve the creation of over 175 new jobs. These new jobs would include positions for press operators, supervisors, support and other line requirements, and clerical and other miscellaneous positions. The average annual salary for these new jobs would be approximately \$40,000. Also, there would be numerous costs associated with the conversion of the Davie facility, such as expenditures for facility build-out, manufacturing tools and equipment, operational costs and training expenditures. It is estimated that the cost of converting the administrative office to manufacturing space will be approximately \$40 million.

Andrx transacts business in a capital-intensive industry. Because of the need to continue to perform R&D and increase production capacity, liquidity is essential to the success and growth of a pharmaceutical company. The QTI would help to offset some of the up front costs/additional taxes that Andrx would incur on the actual conversion of the Davie facility and enable Andrx to realize a higher return on investment (ROI) and maximize its cash flow and earnings. Therefore, by approving Andrx's QTI application, the State of Florida will assist in Andrx's continued growth and position itself as a front-runner for the additional manufacturing facilities Andrx will need to accommodate its future growth.

Based on discussions with economic development representatives from New Jersey, if Andrx decides to purchase an existing manufacturing facility as described above, the company could receive an Income Tax Credit for investment in qualified equipment and the increase in employment. The credit is equal to 2% times the cost of the machinery, up to a maximum credit of \$1 million. Additionally, Andrx could claim a credit in the two succeeding tax years equal to the lesser of \$1,000 per new job created or 3% of the investment credit base on which the manufacturing equipment credit was calculated. This could result in a credit of approximately \$144,000 in the first year and \$216,000 in year two and year three. Andrx could also qualify for the Business Employment Incentive Program (BEIP). This grant would allow Andrx a rebate for 50% of New Jersey withholding taxes paid for new employees for 10 years. This could result in annual rebates of \$140,000 (175 jobs multiplied by \$40,000 average salaries multiplied by the average individual income tax rate of 4% multiplied by 50%). Andrx may also qualify for the Customized Training Grant Program. Andrx would receive between \$500 and \$1,000 for training per employee. The total amount of incentives that the company could obtain if they acquire a facility in New Jersey is approximately \$2.675 million.

Based on discussions with an economic development representative from Puerto Rico, if Andrx decides to purchase an existing manufacturing facility, the company could receive a reimbursement of up to 50% of the salaries paid to employees for a 12 month period, and 100% for a 6 month period. Andrx could also receive a reimbursement of up to 50% of its training costs. In addition, depending on the location of the facility, Andrx could receive cash grants from the Puerto Rico Industrial Development Company (PRIDCO), deductions of 15% of production payroll, deductions of up to 200% of the cost of employee training, 100% deductions on real and

personal property taxes during first year operations and accelerated depreciation for investment in buildings, machinery and equipment with unlimited loss carryforwards. The minimum amount of incentives that the company could obtain if they acquire a facility in Puerto Rico is approximately \$3.5 million (\$40,000 annual average salary multiplied by 175 new jobs multiplied by 50%). In addition, Puerto Rico's tax rate for manufacturers is only 7% compared to the United States' tax rate of 35%.

18. Provide a brief synopsis on the special impacts the project is expected to stimulate in the community, the state or regional economy, focusing on economic conditions in the area, including the unemployment rate in the community where the project will be located.

According to the Local Area Unemployment Statistics, the average unemployment rate in 2003 for Broward County was approximately 5.7%. Andrx's expansion will increase economic growth in the area and help to lower the county unemployment rate. The new jobs created due to the expansion would be high quality, career oriented positions that involve extensive, up to date training and high quality wages for the industry. The new jobs on average will pay \$40,000 annually, which are well in excess of County's 2002 average of \$33,595. Such high average incomes will provide economic effects through increased consumption of local goods and services.

19. a) A brief review of the applicant's past activities in Florida and in other states, particularly as they relate to environmental and growth management impacts and how these have been handled. (Basically, what kind of corporate citizen has the applicant been?)

Andrx has been involved with many local charities and has supported business growth in Broward County. Over the past two years Andrx has contributed approximately \$150,000 to various charities, including The American Cancer Society, Juvenile Diabetics Research, March of Dimes, National Alliance for Autism, and many others. Plus, Andrx's employees have volunteered with many charitable organizations.

- b) Any criminal or civil fines or penalties and any awards. (If yes, please explain)

During 2002 and 2003, Andrx paid \$33,108 including \$1,200 for administrative costs to the Broward County Department of Planning and Environmental Protection for violations of air quality standards. Andrx paid the fines and took measures to resolve the problem to avoid future damage.

20. You may request that your project information (including the information contained in this application) be confidential per F.S. 288.075, Confidentiality of Records.

  X  

YES, we Request Confidentiality

Application completed by:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print or Type Name & Title)

\_\_\_\_\_  
(Company)

\_\_\_\_\_  
(Phone Number)

\_\_\_\_\_  
(Fax Number)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(E-mail Address)

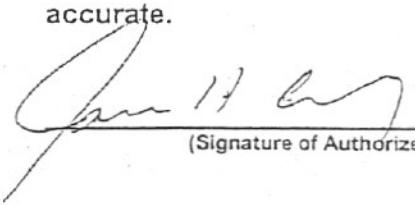
\_\_\_\_\_  
(Contact Person, if different)

\_\_\_\_\_  
(E-mail Address if different)

\_\_\_\_\_  
(Address if different)

\_\_\_\_\_  
(Phone if different)

To the best of my knowledge, the  
information included in this application is  
accurate.

  
\_\_\_\_\_  
(Signature of Authorized Officer)

James Grady

\_\_\_\_\_  
(Print or Type Name of Authorized Officer)

Vice President of Tax

\_\_\_\_\_  
(Print or Type Title of Authorized Officer)

Andrx Corporation, Inc.

\_\_\_\_\_  
(Company)

954-382-7603

\_\_\_\_\_  
(Phone Number)

954-382-7726

\_\_\_\_\_  
(Fax Number)

4/19/04

\_\_\_\_\_  
(Date)

Jim.Grady@andrx.com

\_\_\_\_\_  
(E-mail Address)

**Qualified Target Industry Tax Refund  
as an attachment to the  
General Project Overview for**

**Andrx Pharmaceuticals, Inc.**

(Name of Business)

*Must be a business unit or reporting unit of a business unit that is registered with or will be registered with the State of Florida for unemployment compensation purposes.*

(Project Code or Number)

1. **IMPORTANT NOTE:** This application must be filed prior to making the decision to locate a new business unit in Florida or to expand an existing Florida business unit.

The tax refund claim form will be due by January 31<sup>st</sup> each year for the number of jobs on December 31<sup>st</sup> of the previous calendar year.

The tax refunds paid per state fiscal year (July 1 – June 30) may not exceed 25 percent of the total tax refund award associated with the phase(s) scheduled. The total award will be equal to \$3,000 (\$6,000 in Enterprise Zones or Rural Counties) times the number of jobs reported in item 10, plus \$1,000 per job if the average annual wage exceeds the area's average by 150% or \$2,000 per job if the average annual wage is in excess of 200%. However, the QTI award may not exceed five times the local financial support paid by the community.

2. Project employment and wages:

- a) Total number of net new Florida jobs created by the project at the business unit indicated on Overview: \_\_\_\_\_
- b) Are any employees being transferred from another Florida location? No  
If employees are being transferred from another Florida location(s), how many and from where? N/A
- c) If jobs are to be phased in, provide the date when each phase of employment will be fully implemented: (Please limit the job creation to three phases.)

Phase	Number of net <u>new Florida</u> jobs created in <u>business unit</u> <sup>2</sup>	Date by which those jobs will be created
I	50	12/31/2005
II	50	12/31/2006
III	75	12/31/2007

<sup>1</sup> Existing Florida employees cannot be included for consideration in certain incentive awards.

<sup>2</sup> Must be a minimum of 10 new jobs or a 10 percent increase (whichever is greater) in existing employment, unless the project is located in a rural community or Enterprise Zone.

3. For purposes of certification, agreement, and claim review, indicate the wage and corresponding threshold (percentage) to which you commit:

- a) \$ 38,634 115% of the 2002 (year) average wage in Broward  
b) \$ \_\_\_\_\_ 150% of the \_\_\_\_\_ (year) average wage in \_\_\_\_\_  
c) \$ \_\_\_\_\_ 200% of the \_\_\_\_\_ (year) average wage in \_\_\_\_\_  
(Enter the name of the county, MSA, or "Florida")

4. Amount of "Local Financial Support" identified by local governing body  
\$ 105,000

Type of Support	Amount of Support
Cash	\$105,000
Ad Valorem Tax Abatement <sup>1</sup>	\$ _____
Land Grant by Local Governing Body <sup>1</sup>	\$ _____
Waived <sup>1,2</sup>	\$ _____

<sup>1</sup> Refund paid to Business unit will be reduced by this amount.

<sup>2</sup> Only available in Rural Counties.

(Attach the resolution adopted by the local governing body recommending the applicant be approved as a QTI Business unit and indicating the level of local financial support that has been committed. Clearly indicate waivers requested and justification for such waiver.)

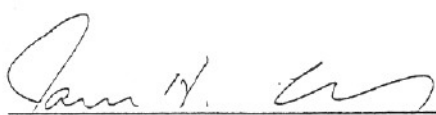
PLEASE BE SURE TO ATTACH TO THE GENERAL PROJECT OVERVIEW.

\_\_\_\_\_  
Signature of individual completing this portion  
(If different from General Overview)

4/16/2004  
Date

8151 N. Peters Road, Plantation, FL 33324  
Address (If Different)

954-382-7603  
Phone

  
\_\_\_\_\_  
Signature of Authorized Officer

4/14/2004  
Date

## BROWARD COUNTY ATTACHMENT TO QTI APPLICATION

The amount of Florida business taxes paid in each tax category during the preceding five (5) fiscal years.

### TAX CATEGORIES (preceding five fiscal years)

Year	Sales/Use	Corporate Income	Intangible Personal Property	Emergency Excise	Documentary Stamp	Real Estate	Personal Property
2003	254,882	0	3,633	0	0	465,813	1,188,481
2002	166,038	0	4,750	0	0	369,446	1,363,528
2001	169,028	1,214,200	1,601	0	0	337,565	742,256
2000	108,423	1,320,194	3,469	0	0	50,842	390,777
1999	126,072	4,112,937	17,396	0	0	51,281	344,695

The projected amount of Florida business tax payments in each category for the four (4) fiscal years following this application:

### PROJECTED AMOUNT OF TAX PAYMENT (four fiscal years following application)

Year	Sales/Use	Corporate Income	Intangible Personal Property	Emergency Excise	Documentary Stamp	Real Estate	Personal Property
2004	310,000	0	3,500	0	0	510,000	1,800,000
2005	390,000	4,500,000	3,500	0	0	550,000	2,600,000
2006	480,000	11,000,000	3,500	0	0	610,000	4,000,000
2007	600,000	11,000,000	3,500	0	0	680,000	6,000,000
2008	650,000	11,500,000	3,500	0	0	680,000	6,000,000
2009	700,000	12,000,000	3,500	0	0	680,000	6,000,000

# The Broward Alliance

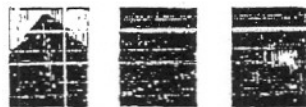
300 SE 2nd Street, Suite #780

Fort Lauderdale, FL 33301

Phone: (800) 741-1420

Fax: (954) 524-3167

www.browardalliance.org



**broward county**  
*south florida*

**Prosper in Paradise**

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## FACSIMILE TRANSMITTAL SHEET

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TO:

Margaret Wu and Will Allen

FROM:

Gloria Kramer, Director, Business  
Development

COMPANY:

Town of Davie

DATE:

April 30, 2004

FAX NUMBER:

954-797-2095

TOTAL NO. OF PAGES INCLUDING COVER:

25

PHONE NUMBER:

954-797-2093

SENDER'S REFERENCE NUMBER:

RE:

Andrx Recommendation

YOUR REFERENCE NUMBER:

☐ URGENT

☒ FOR REVIEW

☐ PLEASE COMMENT

☐ PLEASE REPLY

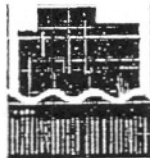
☐ PLEASE RECYCLE

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NOTES/COMMENTS:

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Broward County, South Florida  
The Perfect Climate for Business. And Everything Else.



**broward county**  
*south florida*

April 30, 2004 -

Margaret Wu and Will Allen  
Town of Davie  
4700 Davie Road, Suite C  
Davie, FL 33314-3399

Dear Ms. Wu and Mr. Allen:

Please see The Broward Alliance's recommendation to the Town of Davie Community Redevelopment Agency for Andrx Pharmaceuticals, Inc. The Q Growth incentive applications, management biographies and economic impact have been included for your review.

Please contact me with any questions, 954-627-0129.

Thank you,

Bob Swindell

Senior Vice President, Business Development

Cc: Deborah Wilkinson, Broward County Office of Economic Development



**PROJECT OUTLINE: Andrx Pharmaceuticals, Inc.**

**APPLICANT:** Andrx Pharmaceuticals, Inc.

**PROJECT DESCRIPTION:** The expansion and conversion/renovation of Andrx's pharmaceutical manufacturing facility.

**PROJECT LOCATION:** Davie, Florida

**CAPITAL INVESTMENT:** \$38,500,000 for construction/renovations and purchase of manufacturing equipment.

**JOB CREATION:** 50 new jobs on or before 12/31/05  
50 jobs on or before 12/31/06  
75 jobs on or before 12/31/07

**ESTIMATED PAYROLL:** Direct employee compensation for 175 new jobs is estimated to be: \$7.0MM

**ECONOMIC IMPACT:** IMPLAN Model Version 2.0 results:  
  
Total Output Impact is: \$171,329,659.00  
Emp. Compensation impact: \$23MM  
Total Employment Impact is: 656 jobs  
State & Local Tax Impact is: \$2.4MM  
(excluding ad valorem)

**RECOMMENDATION**  
**QUALIFIED TARGET INDUSTRY - TAX REFUND**  
**JOB GROWTH INCENTIVE - DIRECT CASH**

**REQUEST:** Andrx Pharmaceuticals, Inc ("Andrx" or the "Company") hereby requests \$525,000 under the QTI (Qualified Targeted Industry) Incentive Program and \$350,000 under the Town of Davie's Job Growth/direct cash incentive program.

**PURPOSE:** To expand and renovate its current pharmaceutical manufacturing facility in the Town of Davie, FL as follows:

- To expand its current facility by retrofitting its current administrative office into manufacturing space;
- To purchase/acquire manufacturing tools and equipment;
- To hire 175 new employees.

**COMPANY OVERVIEW:** Andrx performs R&D, manufacturers and distributes oral pharmaceutical drugs. In its generic program, Andrx primarily develops bio-equivalent versions of controlled-release branded products as well as difficult-to-replicate specialty, niche or immediate release brand name pharmaceuticals. In its brand program, Andrx applies its oral controlled-release technologies and formulation skills to develop improved versions of existing brand pharmaceuticals, which will be marketed as new brand pharmaceuticals. Andrx has approximately 30 plus pharmaceuticals in the approval process. In order to position itself to accommodate production for these new-patented drugs and to develop new pharmaceuticals, Andrx must increase its manufacturing capacity. Andrx is traded on the NASDAQ under the symbol ADRX.

**COMPANY MANAGEMENT:**

**Thomas P. Rice**, Andrx Corporation Chief Executive Officer, was appointed CEO on February 3, 2004, and has been a director of Andrx since April 1, 2003. In 1997, Mr. Rice was appointed a Director of Chesapeake Biological Laboratories, Inc., a provider of contract manufacturing services for sterile, injectable pharmaceuticals, and assumed the position of President and Chief Executive Officer in January 1999. In 1996, he co-founded Columbia Investments LLC, which invests in emerging service companies. From 1993 to January 1996, Mr. Rice was Executive Vice President and Chief Operating Officer of Circa Pharmaceuticals, Inc. and from 1993 to January 1995, Chief Financial Officer of Circa. Mr. Rice was previously employed by Deloitte & Touche LLP from 1978 to 1985.

**Angelo C. Malahias**, Andrx Corporation President has been with Andrx since 1996. Prior to his appointment as President in February 2004, Mr. Malahias served as Executive Vice President and Chief Financial Officer. Mr. Malahias was a director of Cybear, from April 1999 until our September 2000 reorganization. Mr. Malahias was Vice President and Chief Financial Officer of Circa Pharmaceuticals, Inc. from January 1995 to January 1996, where he also served as Corporate Controller from July 1994 to January 1995. Mr. Malahias was previously employed by KPMG LLP from 1983 to July 1994.

**Scott Lodin**, Andrx Corporation Executive Vice President, General Counsel and Secretary has been with Andrx since January 1994. Mr. Lodin was the Secretary and a director of Cybear Inc. from February 1997 until the September 2000 reorganization. Prior to joining Andrx, Mr. Lodin was Special Counsel to Hughes, Hubbard & Reed and a predecessor firm where he practiced primarily in the areas of corporate and commercial law.

**John M. Hanson**, Andrx Corporation Senior Vice President and Chief Financial Officer has been with Andrx since April 2003. Prior to his appointment as Chief Financial Officer in February 2004, Mr. Hanson served as Vice President, Finance, from November 2000.

Andrx Job Growth Project  
QTI and Job Growth  
Incentive Pay-out Schedule

	QTI Incentive - 80% OTTED State Portion \$3,000/verified job created	QTI Incentive - 20% Municipal Match \$3,000/verified job created	Job Growth Incentive - 100% Municipal \$2,000/verified job created	Yearly totals for Town of Dayle's incentive expenditure
Year 1	30,000.00	7,500.00	25,000.00	32,500.00
Year 2	60,000.00	15,000.00	50,000.00	65,000.00
Year 3	105,000.00	26,250.00	87,000.00	113,250.00
Year 4	105,000.00	26,250.00	87,000.00	113,250.00
Year 5	75,000.00	18,750.00	63,500.00	82,250.00
Year 6	45,000.00	11,250.00	37,500.00	48,750.00
	\$420,000.00	\$105,000.00	\$350,000.00	\$455,000.00

Amounts are based upon Project meeting performance requirements of:

50 new jobs created by December 2005	\$2,000,000.00
50 additional new jobs created by December 2006	\$2,000,000.00
75 additional new jobs created by December 2007	\$3,000,000.00
175 @ \$40,000 annualized average wage - estimated payroll:	\$7,000,000.00



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# TAX IMPACT

April 29, 2004

IMPACT NAME: Andrx-175 new jobs 042904 MULTIPLIER: Type SAM  
Andrx-Davie 1.iap

		Employee Compensation	Proprietary Income	Household Expenditures	Enterprises (Corporations)	Indirect Business Taxes	Total
Federal Government NonDefense	Corporate Profits Tax				2,388,852		2,388,852
	Indirect Bus Tax: Custom Duty					707,643	707,643
	Indirect Bus Tax: Excise Taxes					2,277,512	2,277,512
	Indirect Bus Tax: Fed NonTaxes					803,827	803,827
	Personal Tax: Estate and Gift Tax						0
	Personal Tax: Income Tax			4,778,824			4,778,824
	Personal Tax: NonTaxes (Fines- Fees			49,231			49,231
	Social Ins Tax- Employee Contribution	2,136,394	228,057				2,364,451
	Social Ins Tax- Employer Contribution	2,212,352					2,212,352
	Total	4,348,746	228,057	4,828,055	2,388,852	3,788,982	15,582,693
State/Local Govt NonEducation	Corporate Profits Tax				15,651		15,651
	Dividends				503		503
	Indirect Bus Tax: Motor Vehicle Lic					29,105	29,105
	Indirect Bus Tax: Other Taxes					47,521	47,521
	Indirect Bus Tax: Property Tax					438,810	438,810
	Indirect Bus Tax: S/L NonTaxes					112,737	112,737
	Indirect Bus Tax: Sales Tax					1,663,448	1,663,448
	Personal Tax: Estate and Gift Tax						0
	Personal Tax: Income Tax			98,974			98,974
	Personal Tax: Motor Vehicle License			9,092			9,092
	Personal Tax: NonTaxes (Fines- Fees			16,727			16,727
	Personal Tax: Other Tax (Fish/Hunt)			85			85
	Personal Tax: Property Taxes			1,088			1,088
	Social Ins Tax- Employee Contribution	419					419
	Social Ins Tax- Employer Contribution	1,508					1,508
	Total	1,927	0	125,966	16,160	2,291,620	2,435,673
	Total	4,350,674	228,057	4,954,021	2,405,012	6,080,602	18,018,366



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## Output Impact

April 29, 2004

Andrx-Davie 1.iap

IMPACT NAME: Andrx-175 new inhs 042904 MIT.TIPT.IRR: Tona SAM

Aggregated Report

Industry	Direct*	Indirect*	Induced*	Total*	Deflator
1 Agriculture (AGG)	0	124,167	41,727	165,894	1.00
28 Mining (AGG)	0	380,824	295,543	676,367	1.00
48 Construction (AGG)	0	9	533	542	1.00
58 Manufacturing (AGG)	112,576,624	15,957,472	11,616,753	140,150,848	1.00
433 TCPU (AGG)	0	9,780,672	1,245,486	11,026,158	1.00
447 Trade (AGG)	0	4,310,444	716,138	5,026,582	1.00
456 FIRE (AGG)	0	608,234	606,862	1,215,095	1.00
463 Services (AGG)	0	1,747,146	11,321,028	13,068,173	1.00
30001 Institutions (AGG)	0	0	0	0	1.00
Total	112,576,624	32,908,967	25,844,071	171,329,659	

\*2004 Dollars - if results are deflated and aggregated, then deflators displayed are set to 1.0 (results have been deflated)

Version 6.1 (E)



# Employee Compensation Impact

April 29, 2004

Andrx-Davie Llap

Copyright MIG 2004

IMPACT NAME: Andrx-175 new inhs 042904

MULTIPLIER: Time SAM

Aggregated Report

Industry	Direct*	Indirect*	Induced*	Total*	Deflator
1 Agriculture (AGG)	0	26,580	6,713	33,293	1.00
28 Mining (AGG)	0	121,725	82,137	203,862	1.00
48 Construction (AGG)	0	1	41	42	1.00
58 Manufacturing (AGG)	23,063,926	4,789,009	3,594,272	31,447,208	1.00
433 TCPU (AGG)	0	1,452,956	536,667	1,989,623	1.00
447 Trade (AGG)	0	2,256,388	384,853	2,641,242	1.00
456 FIRE (AGG)	0	310,789	342,779	653,568	1.00
463 Services (AGG)	0	535,608	3,220,544	3,756,152	1.00
30001 Institutions (AGG)	0	0	0	0	1.00
Total	23,063,926	9,493,057	8,168,006	40,724,990	

\*2004 Dollars - if results are deflated and aggregated, then deflators displayed are set to 1.0 (results have been deflated)

Version 6.1.02



Copyright MIG 2004

# Employment Impact

April 29, 2004

 IMPACT NAME: Andrx-175 new jobs 042904 MULTIPLIER: Type SAM  
 Andrx-Davie 1.iap

Aggregated Report

Industry	Direct*	Indirect*	Induced*	Total*
1 Agriculture (AGG)	0.0	1.1	0.5	1.6
28 Mining (AGG)	0.0	3.1	2.0	5.1
48 Construction (AGG)	0.0	0.0	0.0	0.0
58 Manufacturing (AGG)	175.0	98.9	107.5	381.4
433 TCPU (AGG)	0.0	31.7	12.5	44.1
447 Trade (AGG)	0.0	43.7	11.7	55.4
456 FIRE (AGG)	0.0	10.1	12.0	22.1
463 Services (AGG)	0.0	24.0	122.1	146.1
30,001 Institutions (AGG)	0.0	0.0	0.0	0.0
	175.0	212.7	258.1	655.8



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## Total Value Added Impact

April 29, 2004

Andrx-Davis 1.iap

IMPACT NAME: Andrx-175 new inhs 042904

MULTIPLIER: Type SAM

Aggregated Report

Industry	Direct*	Indirect*	Induced*	Total*	Deflator
1 Agriculture (AGG)	0	77,927	23,315	101,243	1.00
28 Mining (AGG)	0	191,095	153,762	344,857	1.00
48 Construction (AGG)	0	2	107	108	1.00
58 Manufacturing (AGG)	58,893,412	9,095,521	6,776,786	74,765,720	1.00
433 TCPU (AGG)	0	8,637,953	973,773	9,611,726	1.00
447 Trade (AGG)	0	3,204,364	522,362	3,726,726	1.00
456 FIRE (AGG)	0	395,164	404,521	799,685	1.00
463 Services (AGG)	0	962,098	7,020,292	7,982,390	1.00
30001 Institutions (AGG)	0	0	0	0	1.00
Total	58,893,412	22,564,124	15,874,918	97,332,454	

\*2004 Dollars - if results are deflated and aggregated, then deflators displayed are set to 1.0 (results have been deflated)

Version 4.1.0.2





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# Labor Income Impact

April 29, 2004

Andrx-Davie 1.iazp

IMPACT NAME: Andrx-175 new jobs 042904

MULTIPLIER: Type SAM

Aggregated Report

Industry	Direct*	Indirect*	Induced*	Total*	Deflator
1 Agriculture (AGG)	0	30,921	9,025	39,946	1.00
28 Mining (AGG)	0	154,588	107,244	261,832	1.00
48 Construction (AGG)	0	1	45	45	1.00
58 Manufacturing (AGG)	26,305,882	5,128,373	3,913,936	35,348,192	1.00
433 TCPU (AGG)	0	1,667,070	615,106	2,282,175	1.00
447 Trade (AGG)	0	2,425,485	413,845	2,839,331	1.00
456 FIRE (AGG)	0	331,124	360,743	691,868	1.00
463 Services (AGG)	0	643,207	3,677,519	4,320,726	1.00
30001 Institutions (AGG)	0	0	0	0	1.00
Total	26,305,882	10,380,768	9,097,464	45,784,115	

\*2004 Dollars - if results are deflated and aggregated, then deflators displayed are set to 1.0 (results have been deflated)

Version: 3/04/01



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## Indirect Business Taxes Impact

April 29, 2004

Andrx-Davie 1.iap

IMPACT NAME: Andrx-175 new jobs 042904 MULTIPLIER: Type SAM

Aggregated Report

Industry	Direct*	Indirect*	Induced*	Total*	Deflator
1 Agriculture (AGG)	0	1,784	1,433	3,217	1.00
28 Mining (AGG)	0	15,776	15,705	31,482	1.00
48 Construction (AGG)	0	0	3	3	1.00
58 Manufacturing (AGG)	2,615,457	1,356,622	961,182	4,933,262	1.00
433 TCPU (AGG)	0	688,456	26,976	715,432	1.00
447 Trade (AGG)	0	68,512	11,372	79,884	1.00
456 FIRE (AGG)	0	11,745	6,905	18,650	1.00
463 Services (AGG)	0	68,684	679,377	748,061	1.00
30001 Institutions (AGG)	0	0	0	0	1.00
Total	2,615,457	2,211,579	1,702,954	6,529,991	

\*2004 Dollars - if results are deflated and aggregated, then deflators displayed are set to 1.0 (results have been deflated)

Y04040401.000



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## Other Property Type Income Impact

April 29, 2004

Andrx-Davis 1.iap

IMPACT NAME: Andrx-175 new jobs 042904

MULTIPLIER: Type SAM

Aggregated Report

Industry	Direct*	Indirect*	Induced*	Total*	Deflator
1 Agriculture (AGG)	0	45.223	12.857	58.080	1.00
28 Mining (AGG)	0	20.731	30.812	51.543	1.00
48 Construction (AGG)	0	1	59	60	1.00
58 Manufacturing (AGG)	29,972,072	2,610,526	1,901,668	34,484,264	1.00
433 TCPU (AGG)	0	6,282,427	331,691	6,614,118	1.00
447 Trade (AGG)	0	710,366	97,144	807,511	1.00
456 FIRE (AGG)	0	52,294	36,873	89,167	1.00
463 Services (AGG)	0	250,207	2,663,396	2,913,603	1.00
30001 Institutions (AGG)	0	0	0	0	1.00
Total	29,972,072	9,971,776	5,074,500	45,018,346	

\*2004 Dollars - if results are deflated and aggregated, then deflators displayed are set to 1.0 (results have been deflated)

Version 6.1.0.2

# GENERAL PROJECT OVERVIEW

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Andrx Pharmaceuticals, Inc.  
Name of Business

---

Manufacturing Facility Expansion/Addition  
Project Title (1-5 word description)

FOR EFL USE ONLY	
Date Received	Date Completed
Project Number	

It is suggested that you contact Enterprise Florida at the below address to discuss and application before submitting a formal proposal

The completed and signed application must be filed with:

**Enterprise**  
**FLORIDA, Inc.**

The Atrium Building, Suite 201 • 325 John Knox Road  
Tallahassee, Florida 32303  
850/488-6300 • Fax: 850/922-9595

<http://www.eflorida.com/>

# Employer Identification

## BUSINESS INFORMATION:

1. a) Name of Business Unit: Andrx Pharmaceuticals, Inc.
  - b) Mailing Address: 4955 Orange Drive, Fort Lauderdale, Florida 33314
  - c) Name of Parent Company (if applicable): Andrx Corporation
  - d) Primary business unit contact:  
Name: Jim Grady Title: Vice President of Tax  
Company: Andrx Corporation  
Address: 8151 N. Peters Road, Plantation, FL 33324  
Phone: (954) 382-7603 Fax: (954) 382-7726  
Email: Jim.Grady@andrx.com Website: www.andrx.com
  - e) Business unit's federal employer identification number: 32-0043602
  - f) Business unit's unemployment compensation identification number: 2439728
  - g) Business unit's Florida sales tax registration number: 16-00-362283-80-9
  - h) List NAICS and SIC codes of all activities of the business unit: 32541 and 2834  
Targeted Industry: Biomedical Technology
  - i) Describe the business unit's primary business activities: Research, development, manufacturing and distribution of pharmaceuticals
2. a) Is the business unit minority owned: YES X NO
  - b) If YES, explain: \_\_\_\_\_
3. Business unit's tax year (ex: Jan. 1 – Dec. 31): January 1<sup>st</sup> through December 31<sup>st</sup>

## Project Identification/Information

4. a) Is the business unit a (please choose one):  
☐ A new business unit to Florida  
☒ An expansion of an existing Florida business unit
- b) If an expansion, how many Florida employees are currently in the expanding business unit? 604
- c) How many individuals are employed in ALL Florida locations? 1,063

<sup>1</sup> Existing Florida employees cannot be included for consideration in certain incentive awards.

<sup>2</sup> Incentives may not be used in connection with any project that involves the relocation of jobs from one Florida community to another.

5. Full project description: Andrx performs R&D, manufactures, and markets and distributes oral pharmaceutical drugs. In order to meet the demand for new-patented pharmaceuticals, Andrx needs to expand its manufacturing capacity. This will involve an expansion/addition to its Davie manufacturing facility and the hiring of new employees to manufacture pharmaceuticals. These new jobs would include positions for press operators, supervisors, support and other line requirements, clerical and miscellaneous positions.
6. Check the appropriate box and complete the line item:  
☒ Project's current location address, if applicable: 4955 Orange Drive, Fort Lauderdale, Florida 33314  
☐ Project's proposed location address, if different from above: \_\_\_\_\_
7. a) Located on Brownfield Site or in a Brownfield Area? \_\_\_\_\_ YES \_\_\_\_\_ X NO  
(Please attach a copy of the official document that designated this area a brownfield area.)  
b) Will project be locating or expanding in an Enterprise Zone?  
\_\_\_\_\_ YES \_\_\_\_\_ X NO Which Zone: \_\_\_\_\_  
c) Will project be locating in a designated rural area?  
\_\_\_\_\_ YES \_\_\_\_\_ X NO Which designated rural area: \_\_\_\_\_
8. County in which project is/will be located: Broward
9. Indicate the portion of the project (if any) that will be performing headquarters functions 0 % and check the box that best defines your project. Answer a) AND b):  
a) ☒ Multistate business enterprise      b) ☐ Regional headquarters office  
☐ Multinational business enterprise      ☐ National headquarters office  
☐ International headquarters office
10. Unless this is solely a designated headquarters project, please estimate percentage of gross receipts or final sales resulting from project that will be made outside of Florida: 95 %
11. Indicate the portion of the project (if any) that will be performing non-headquarters functions. Enter the industry description and code of each industry included in this project:
- | Business unit Activities |       | 5-6 digit NAICS Code | 4 digit SIC Code |
|--------------------------|-------|----------------------|------------------|
| Manufacturing            | 100 % | 32541                | 2834             |
|                          | %     |                      |                  |
|                          | %     |                      |                  |
12. List the 5-6 digit NAICS and 4 digit SIC code(s), estimated employment, and the annualized average wage (not including benefits) for activities included in the project:
- |           |                   |                 |            |                 |                 |
|-----------|-------------------|-----------------|------------|-----------------|-----------------|
| NAICS/SIC | <u>32541/2834</u> | Est. Employment | <u>175</u> | Annualized Wage | <u>\$40,000</u> |
| NAICS/SIC |                   | Est. Employment |            | Annualized Wage | \$              |
| NAICS/SIC |                   | Est. Employment |            | Annualized Wage | \$              |

13. a) Anticipated annualized average wage (not including benefits) of the new to Florida jobs created by the project at the business unit: \$40,000  
(Cash performance bonuses and other cash payments to the employees, such as overtime, should be included. The anticipated wage reported here is only an estimate of the average wage to be paid. The wage indicated in response to an incentive attachment, if applicable, will be used in the certification, agreement, and claim evaluation process.)
- b) Annualized average value of benefits associated with each new job created by the project at the business unit: \$12,000
14. a) Describe the capital investment in real and personal property (examples: construction of new facility; remodeling of facility; upgrading, replacing or buying new equipment. Do not include the value of land purchased for construction of a new building): Expansion of manufacturing facility by retrofitting current administration office into manufacturing space, adding manufacturing tools and equipment as and furniture and fixtures.
- b) List the anticipated amount (within three (3) years) and type (purchase of machinery/equipment, construction of buildings, etc.) of major capital investment to be made by the applicant in connection with this Florida project:
- |           |                      |                          |
|-----------|----------------------|--------------------------|
| Amount \$ | <u>31,300,000</u>    | Construction/Renovations |
| Amount \$ | <u>7,200,000</u>     | Manufacturing Equipment  |
| Amount \$ | <u></u>              | Other Equipment          |
| Total     | <u>\$ 38,500,000</u> |                          |
- c) Estimated square feet of new or newly expanded facility: 40,000
15. Anticipated date of beginning of construction for this project: June 2004
16. Anticipated date project will be in operation: November 2004

## Project Impact Information

17. What role will the incentive (or incentives) play in the decision of the applicant to locate or expand in this state? (If there are other states/communities competing for this project, please list which states/communities and what incentives are being offered by these states/communities.)

Andrx performs R&D, manufactures and distributes oral pharmaceutical drugs. In its generic program, Andrx primarily develops bio-equivalent versions of controlled-release branded products as well as difficult-to-replicate specialty, niche or immediate release brand name pharmaceuticals. In its brand program, Andrx applies its oral controlled-release technologies and formulation skills to develop improved versions of existing brand pharmaceuticals, which will be marketed as new brand pharmaceuticals. Andrx has approximately 30 plus pharmaceuticals in the approval process. In order to position itself to accommodate production for these new-patented drugs and to develop new pharmaceuticals, Andrx must increase its manufacturing capacity. Andrx is traded on the NASDAQ under the symbol ADRX.

During 2002, Andrx purchased a manufacturing facility in Morrisville, North Carolina from an affiliate of the Bristol-Myers Squibb Company. However, Andrx may not be able to bring the manufacturing plant on-line within the desired timeframe. Based on projected sales, Andrx has determined that it needs to increase its product-manufacturing capacity immediately. Andrx



could take extraordinary measures to accelerate the timeline for the North Carolina facility; however, this may be too costly for Andrx.

In order to accommodate its capacity needs, Andrx is considering three options. The first option is to renovate the Davie facility, including the addition of 40,000 square feet of cGMP manufacturing space. This addition and renovation will almost double the manufacturing capacity of the facility. The second option is to purchase an existing manufacturing facility. Andrx is currently evaluating potential locations. Facilities in New Jersey and Puerto Rico have already been identified as facilities that would meet Andrx's manufacturing needs. The third option is to utilize contract manufacturers. Andrx is currently utilizing Mova Pharmaceuticals, Inc, a Puerto Rican contract manufacturer, for its version of Metformin IR. However, due to the confidential nature of its formulations, Andrx prefers to manufacture its own products.

If Andrx chooses the first option, the conversion would involve the creation of over 175 new jobs. These new jobs would include positions for press operators, supervisors, support and other line requirements, and clerical and other miscellaneous positions. The average annual salary for these new jobs would be approximately \$40,000. Also, there would be numerous costs associated with the conversion of the Davie facility, such as expenditures for facility build-out, manufacturing tools and equipment, operational costs and training expenditures. It is estimated that the cost of converting the administrative office to manufacturing space will be approximately \$40 million.

Andrx transacts business in a capital-intensive industry. Because of the need to continue to perform R&D and increase production capacity, liquidity is essential to the success and growth of a pharmaceutical company. The QTI would help to offset some of the up front costs/additional taxes that Andrx would incur on the actual conversion of the Davie facility and enable Andrx to realize a higher return on investment (ROI) and maximize its cash flow and earnings. Therefore, by approving Andrx's QTI application, the State of Florida will assist in Andrx's continued growth and position itself as a front-runner for the additional manufacturing facilities Andrx will need to accommodate its future growth.

Based on discussions with economic development representatives from New Jersey, if Andrx decides to purchase an existing manufacturing facility as described above, the company could receive an Income Tax Credit for investment in qualified equipment and the increase in employment. The credit is equal to 2% times the cost of the machinery, up to a maximum credit of \$1 million. Additionally, Andrx could claim a credit in the two succeeding tax years equal to the lesser of \$1,000 per new job created or 3% of the investment credit base on which the manufacturing equipment credit was calculated. This could result in a credit of approximately \$144,000 in the first year and \$216,000 in year two and year three. Andrx could also qualify for the Business Employment Incentive Program (BEIP). This grant would allow Andrx a rebate for 50% of New Jersey withholding taxes paid for new employees for 10 years. This could result in annual rebates of \$140,000 (175 jobs multiplied by \$40,000 average salaries multiplied by the average individual income tax rate of 4% multiplied by 50%). Andrx may also qualify for the Customized Training Grant Program. Andrx would receive between \$500 and \$1,000 for training per employee. The total amount of incentives that the company could obtain if they acquire a facility in New Jersey is approximately \$2.675 million.

Based on discussions with an economic development representative from Puerto Rico, if Andrx decides to purchase an existing manufacturing facility, the company could receive a reimbursement of up to 50% of the salaries paid to employees for a 12 month period, and 100% for a 6 month period. Andrx could also receive a reimbursement of up to 50% of its training costs. In addition, depending on the location of the facility, Andrx could receive cash grants from the Puerto Rico Industrial Development Company (PRIDCO), deductions of 15% of production payroll, deductions of up to 200% or the cost of employee training, 100% deductions on real and



personal property taxes during first year operations and accelerated depreciation for investment in buildings, machinery and equipment with unlimited loss carryforwards. The minimum amount of incentives that the company could obtain if they acquire a facility in Puerto Rico is approximately \$3.5 million (\$40,000 annual average salary multiplied by 175 new jobs multiplied by 50%). In addition, Puerto Rico's tax rate for manufacturers is only 7% compared to the United States' tax rate of 35%.

18. Provide a brief synopsis on the special impacts the project is expected to stimulate in the community, the state or regional economy, focusing on economic conditions in the area, including the unemployment rate in the community where the project will be located.

According to the Local Area Unemployment Statistics, the average unemployment rate in 2003 for Broward County was approximately 5.7%. Andrx's expansion will increase economic growth in the area and help to lower the county unemployment rate. The new jobs created due to the expansion would be high quality, career oriented positions that involve extensive, up to date training and high quality wages for the industry. The new jobs on average will pay \$40,000 annually, which are well in excess of County's 2002 average of \$33,595. Such high average incomes will provide economic effects through increased consumption of local goods and services.

19. a) A brief review of the applicant's past activities in Florida and in other states, particularly as they relate to environmental and growth management impacts and how these have been handled. (Basically, what kind of corporate citizen has the applicant been?)

Andrx has been involved with many local charities and has supported business growth in Broward County. Over the past two years Andrx has contributed approximately \$150,000 to various charities, including The American Cancer Society, Juvenile Diabetes Research, March of Dimes, National Alliance for Autism, and many others. Plus, Andrx's employees have volunteered with many charitable organizations.

- b) Any criminal or civil fines or penalties and any awards. (If yes, please explain)

During 2002 and 2003, Andrx paid \$33,108 including \$1,200 for administrative costs to the Broward County Department of Planning and Environmental Protection for violations of air quality standards. Andrx paid the fines and took measures to resolve the problem to avoid future damage.

20. You may request that your project information (including the information contained in this application) be confidential per F.S. 288.075, Confidentiality of Records.

☒ YES, we Request Confidentiality  
☐ NO, we do not Request Confidentiality

\*\*\*\*Be sure to attach proper incentive sheet(s)\*\*\*\*

(Fax Number)

(Date)

(E-mail Address)

(Contact Person, if different)

(E-mail Address if different)

(Address if different)

(Phone if different)

(Company)

954-382-7603

(Phone Number)

954-382-7726

(Fax Number)

4/19/04

(Date)

Jim.Grady@qndrx.com

(E-mail Address)

**Qualified Target Industry Tax Refund  
as an attachment to the  
General Project Overview for  
Andrx Pharmaceuticals, Inc.**

(Name of Business)

*Must be a business unit or reporting unit of a business unit that is registered with or will be registered with the State of Florida for unemployment compensation purposes.*

(Project Code or Number)

1. **IMPORTANT NOTE:** This application must be filed prior to making the decision to locate a new business unit in Florida or to expand an existing Florida business unit.

The tax refund claim form will be due by January 31<sup>st</sup> each year for the number of jobs on December 31<sup>st</sup> of the previous calendar year.

The tax refunds paid per state fiscal year (July 1 – June 30) may not exceed 25 percent of the total tax refund award associated with the phase(s) scheduled. The total award will be equal to \$3,000 (\$6,000 in Enterprise Zones or Rural Counties) times the number of jobs reported in item 10, plus \$1,000 per job if the average annual wage exceeds the area's average by 150% or \$2,000 per job if the average annual wage is in excess of 200%. However, the QTI award may not exceed five times the local financial support paid by the community.

2. Project employment and wages:

- a) Total number of net new Florida jobs created by the project at the business unit indicated on Overview: \_\_\_\_\_
- b) Are any employees being transferred from another Florida location? No  
If employees are being transferred from another Florida location(s), how many and from where? N/A
- c) If jobs are to be phased in, provide the date when each phase of employment will be fully implemented: (Please limit the job creation to three phases.)

Phase	Number of net <u>new Florida</u> jobs created in <u>business unit</u> <sup>2</sup>	Date by which those jobs will be created
I	50	12/31/2005
II	50	12/31/2006
III	75	12/31/2007

<sup>1</sup> Existing Florida employees cannot be included for consideration in certain incentive awards.

<sup>2</sup> Must be a minimum of 10 new jobs or a 10 percent increase (whichever is greater) in existing employment, unless the project is located in a rural community or Enterprise Zone.

3. For purposes of certification, agreement, and claim review, indicate the wage and corresponding threshold (percentage) to which you commit:

- a) \$ 38,634 115% of the 2002 (year) average wage in Broward  
b) \$ \_\_\_\_\_ 150% of the \_\_\_\_\_ (year) average wage in \_\_\_\_\_  
c) \$ \_\_\_\_\_ 200% of the \_\_\_\_\_ (year) average wage in \_\_\_\_\_  
(Enter the name of the county, MSA, or "Florida")

4. Amount of "Local Financial Support" identified by local governing body  
\$ 105,000

Type of Support

Amount of Support

Cash

\$105,000

Ad Valorem Tax Abatement<sup>1</sup>

\$ \_\_\_\_\_

Land Grant by Local Governing Body<sup>1</sup>

\$ \_\_\_\_\_

Waived<sup>1,2</sup>

\$ \_\_\_\_\_

<sup>1</sup> Refund paid to Business unit will be reduced by this amount.

<sup>2</sup> Only available in Rural Counties.

(Attach the resolution adopted by the local governing body recommending the applicant be approved as a QTI Business unit and indicating the level of local financial support that has been committed. Clearly indicate waivers requested and justification for such waiver.)

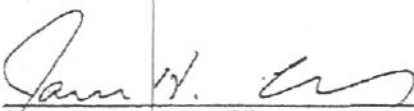
PLEASE BE SURE TO ATTACH TO THE GENERAL PROJECT OVERVIEW.

\_\_\_\_\_  
Signature of individual completing this portion  
(If different from General Overview)

4/16/2004  
Date

8151 N. Peters Road, Plantation, FL 33324  
Address (If Different)

954-382-7603  
Phone

  
\_\_\_\_\_  
Signature of Authorized Officer

4/14/2004  
Date

  
\_\_\_\_\_  
Jim Grady